

BOARD OF DIRECTORS – ACTION SUMMARY

Wednesday, May 10, 2006 – 6:00 p.m.

**Administration Building
2101 Hurley Way, Sacramento, CA**

CALL TO ORDER

The meeting was called to order by President Engellenner. Board Members present: Engellenner, Goold, Granados, Jones, Kelly, Lawson, Valley. Directors Duveneck and Trujillo, absent. Staff: Fire Chief Mette, General Counsel Margarita, Board Clerk Tilson.

PLEDGE TO FLAG led by the Girl Scouts of Tierra del Oro.

METRO CABLE 14 ANNOUNCEMENT

The open session Meeting is videotaped for cablecast on Metro Cable 14. Replay on Monday, May 15 at 6:00 p.m. and Wednesday, May 17 at 9:00 a.m. on Channel 14; Webcast at www.sacmetro cable.tv. A VHS copy is also available for checkout from any library branch.

PUBLIC OPPORTUNITY TO DISCUSS MATTERS OF PUBLIC INTEREST WITHIN DISTRICT JURISDICTION INCLUDING ITEMS ON OR NOT ON THE AGENDA

- James Vanderveen, District resident and former Director, distributed copies of a supplemental letter/data in addition to his previous letter of May 3, 2006, relative to retiree Medicare cost reimbursement. He stated the Board of Directors of the American River Fire Protection District authorized reimbursement of Medicare premiums to all retirees effective September 1, 1990, as recorded in the minutes of the regular Board meeting of July 10, 1990. The merger of the American River and Sacramento County Fire Protection Districts was made conditional on authorizing the more generous version of all benefits from either district to the Sacramento Metropolitan Fire District. Staff is directly reimbursing all former American River retirees and their dependents for Medicare costs on a quarterly basis but Medicare eligible retirees and dependents of the Sacramento County Fire District, Florin Fire District, and Sacramento Metropolitan Fire District are not reimbursed. He urged the Board to honor the commitment to provide equal benefits to all eligible retirees effective with the merger date of the Sacramento Metropolitan Fire District in compliance with the previous direction of the Board of Directors.

- Pat Monahan, Sacramento Fire Fighters Local 522, stated this was the first he heard of this but agreed he never received any complaint on the loss of negotiated benefits.
- In response to Director Jones, President Engellenner stated that the General Counsel will check on the legalities of the issue and provide a written report at the next meeting.

CONSENT AGENDA:

1. Board Meeting Action Summary—April 26, 2006

- **Board Action:**
Goold/Kelly—approve the Consent Agenda. Directors Engellenner, Goold, Granados, Kelly, Lawson, Valley, AYE. Director Jones, abstain. Directors Duveneck and Trujillo, absent. Motion carried.

ACTION ITEM(S)

1. Calling for Consolidation of District Election With Statewide Election—(Tilson)

- Pursuant to Elections Code Section 10403, adoption of the two resolutions is required to consolidate the District Board of Directors election for Sacramento and Placer Counties with the statewide general election.
- The resolutions establish the same election process utilized in previous elections: consolidation of the District election with the statewide election; candidate prepays the cost of publication of a Campaign Statement limited to 200 words; the District to reimburse the Registrar of Voters for the actual election costs.
- The District Board members are elected by division, with the following seats up for election on November 7, 2006 for a four-year term:

Division 1	-	Director H. Peter Engellenner
Division 3	-	Director James R. (Ray) Trujillo
Division 7	-	Director Matthew Kelly
Division 9	-	Director Gregory M. Valley
- Recommend adoption of the two resolutions petitioning Sacramento and Placer Counties to consolidate the District election with the statewide election on November 7, 2006.

A. Resolution No. 26-06—Calling for the Election and Consolidation with Sacramento County

- **Board Action:**

Kelly/Granados—adopt the Resolution. Directors Engellenner, Goold, Granados, Jones, Kelly, Lawson, Valley, AYE. Directors Duveneck and Trujillo, absent. Motion carried.

B. Resolution No. 27-06—Calling for the Election and Consolidation with Placer County

- **Board Action:**

Lawson/Granados—adopt the Resolution. Directors Engellenner, Goold, Granados, Jones, Kelly, Lawson, Valley, AYE. Directors Duveneck and Trujillo, absent. Motion carried.

2. Resolution No. 28-06—Authorizing the Contract for Services with SST Benefits Consulting Services, Inc.—(Matt Reyman)

- The Deferred Compensation Committee is in need of consulting services to evaluate the current Deferred Compensation Plan and assist in the Request for Proposal (RFP) process for a Third Party Administrator.
- Staff recommends adoption of the resolution to hire SST Benefits Consulting & Services, Inc. and authorize the Fire Chief to execute the agreement.

- **Board Action:**

Granados/Lawson—adopt the Resolution. Directors Engellenner, Goold, Granados, Jones, Kelly, Lawson, Valley, AYE. Directors Duveneck and Trujillo, absent. Motion carried.

3. Policy – Penalty for Unauthorized Disclosure of Confidential Information from Closed Session Meetings—(Margarita)

- Postponed to the next Board meeting.

4. Prequalification of Bidders—(Horel)

- The Board of Directors at its July 14, 2004 meeting adopted prequalification guidelines on a trial basis for the first two fire station projects and directed staff to evaluate the process to determine whether it should be followed on a permanent basis.
- The District General Counsel reviewed the prequalification guidelines utilized for fire stations 32 and 107 and recommended incorporation of minor edits, along with the following more significant changes:
 1. Increase the contractor liability insurance requirements with a policy limit from at least \$1,000,000 per occurrence and \$2,000,000 aggregate to \$2,000,000 per occurrence and \$5,000,000 aggregate.
 2. Add failure to produce Contractors Insurance Policy will be reason for immediate disqualification.
 3. Delete exemption for not reporting on CAL OSHA citations on appeal for any serious, willful, or repeat violations of its safety or health regulations in the past five years. All citations must now be reported with an explanation.
 4. Delete exemption for not reporting on federal OSHA citations on appeal for any citations and assessed penalties in the past five years. All citations must now be reported with an explanation.
 5. Delete exemption for not reporting on EPA, Air Quality Management District, or Regional Water Quality Control Board citations on appeal for citations within the past five years. All citations must now be reported with an explanation.
- A copy of the revised “Sacramento Metropolitan Fire District Request for Pre-qualification of Bidders for Public Works Fire Station Projects” was provided for review, with a “List of the Scorable Questions and the Scoring Instructions” that will be utilized in the process.
- The utilization of the prequalification process does not obligate the District to expend funds to construct fire stations, but merely establishes a potential bidders list for future bidding of fire station projects.
- Staff recommended adoption of the revised prequalification guidelines for use on the next two fire station projects.
- Questions and answers: propose to move forward with two additional fire stations; provides for full disclosure of citations by bidder; it is an industry standard.

- **Board Action:**
Goold/Granados—approve the staff recommendation. Directors Engellenner, Goold, Granados, Jones, Kelly, Lawson, Valley, AYE. Directors Duveneck and Trujillo, absent. Motion carried.

PRESENTATION ITEM (S)

1. Aviation Program Audit—(Mette/Holbrook)

- A six-page staff report was submitted addressing direct questions relative to the cost of the District's Air Operations Program.
- Conklin & deDecker, Inc. was awarded the bid to complete a comprehensive audit of the Aviation Program. A 19-page "Draft" audit dated May 5, 2006 was distributed consisting of a compilation and analysis of the Aviation Unit costs for the initial three years of the program; along with other attachments.

An internal audit was also performed to include every identifiable cost not reflected in the scope of work for Conklin & deDecker.

- Battalion Chief Chris Holbrook gave a detailed presentation. The Summary of All Costs report outlined the startup costs and the cost to maintain the program.
- The startup and operation cost identified in the report to the Board in February 2004 was \$1,524,211 versus \$1,576,317 in the Conklin & de Decker report for a difference of \$52,106 or 3.4% higher.

The startup/preparatory cost of \$814,451 shown in the Audit Report was higher than staff estimated.

- The Aggregate Cost Report for fiscal years 2000 through March 13, 2006 reflected a total cost of \$2,528,981.43 attributable to air operations, including salaries and benefits.
- Questions and answers to include, among others: cost of Conklin & deDecker audit—approximately \$23,000; annual approximate cost of the program is equal to an engine company; \$21,682.10 in revenue received since startup for utilization of the helicopter outside of Metro for fire only, but no charge for an EMS transport since it is a public use aircraft; initial inventory cost reflected an accurate figure of \$208,411 for purchases; explanation of financial methods of accounting; helicopter retrofit-\$300,000, training allotment-\$40,000, and EPSO operating cost-\$321,000 totaled \$661,000 for initial startup; cost of staff time; a needs assessment summary was required as to the value of the helicopter operation but not received.

- Director Granados expressed concern with expenditure of funds not approved by the Board or let out to bid, citing the remodel of Station 115 for \$486,345.99 to house the aviation unit and the Metro Operation Center.
- Battalion Chief Holbrook stated Emergency Planning and Special Operations (EPSO) has made changes to its entire budgetary structure to facilitate appropriate accounting of expenditures since the audit; in addition, an internal annual audit will be conducted; the needs assessment is another element of the audit not presented in order to expedite bringing the cost element forward tonight as requested.
- Director Jones stated the Board may have to take another look at Station 115. An expenditure was approved by the Board for the HVAC system. Stations 114 and 115 were received from the Federal government. State law mandated upgrades to use the buildings. Further background information can be discussed at another time.
- Director Lawson expressed concern with items listed as Miscellaneous for \$33,306 and recommended inclusion of support documentation to alleviate questions.
- President Engellenner commended Chief Holbrook for an outstanding job on the report but was not in favor of spending money not approved by the Board.
- Pat Monahan, representing Sacramento Fire Fighters Local 522, commended Chief Holbrook and staff for the extensive report and thanked the Board members who are responsible for the taxpayers' dollars for attempting to be accountable to their constituents.

Secondly, refurbishing the helicopter for \$488,651 was significantly over the approved amount. Questioned the practice of balancing the budget of a program on the 1000 Account as a cumulative figure rather than coming back to the Board for approval. He felt this was not the Board's intention.

PRESIDENT'S REPORT—(Engellenner) None.

FIRE CHIEF'S REPORT—(Mette)

- Attended the Cap-to-Cap in Washington, D.C. Pushing to reinstate Urban Area Security Initiative (UASI) grant funding but no prevailing conclusion this year. McClellan funding and other grants discussed.
- Met with Rancho Cordova on the redevelopment project. Next meeting on May 15 to work out issues.
- Next Policy Committee meeting—clarification of Board/District policies.
- Attended the Metro Fire Chiefs conference.
- May 16 – Legislative Action Day.
- Distributed real estate appraisal of various District properties relative to previous discussion on possible relocation of Metro Admin. Includes Fire Prevention/Logistics-3012 Gold Canal, vacant parcel at 3117 Gold Canal, former Sacramento County Fire Administration-3121 Gold Canal, and 2101 Hurley.
- Fire season declared open.
- Five working structure fires since the last Board meeting.

GENERAL COUNSEL'S REPORT—(Margarita) None.

COMMITTEE AND DELEGATE REPORTS:

Executive Committee—(Engellenner)

- Next meeting: TBA

Communications Center Delegate—(Valley)

- The Annual Report is available to those interested.
- Next Meeting: May 23, 2006 – 10:30 AM

California Fire & Rescue Training Authority—(Goold)

- Next meeting: TBA

Finance Committee—(Kelly)

- Received report on today's meeting.
- Next meeting: June 14, 2006 – 5:00 p.m.

Policy Committee—(Lawson)

- Next meeting: May 24, 2006 – 5:00 p.m.

BOARD MEMBER QUESTIONS AND COMMENTS:**Kelly:**

- Enjoyed the company of Assistant Chief Baltzell and Fire Chief Mette on the Cap-to-Cap trip. Nice to see Sacramento Metropolitan Fire represented and doing a fine job.

Valley:

- Appreciated the report on the helicopter. He was in favor of the audit because a lot of questions needed to be answered.

Lawson:

- Echoed sentiments of Director Valley. The Aviation Audit reports were very constructive and informative.
- Appreciated all the efforts of the fire protection personnel given to the constituents of our community.

Granados:

- Met with Chief Dobson who will continue to work on the Fire Prevention Bureau decentralization with the County and come back to the Board with something viable.
- Thanked Station 32 fire personnel who responded to a medical aid call.
- Appreciated Battalion Chief Holbrook's audit report, which revealed some problems. The Finance Committee discussed a need to show accurate cost figures. A public budget is published showing how dollars are spent. Moving funds from one area to another without explanation is troubling.
- Station 115 is another area of concern. Modifications were made without going out to bid, with \$468,000 in cost represented by Chief Holbrook.
- In support of the station construction but has a problem with the escalating cost. It has exceeded by \$1.5 million what another local jurisdiction is paying for the same size station. The 20-year plan should be scrapped and start over again because the District does not have the money to pay for it.

RECESS TO CLOSED SESSION 8:00 PM

RECONVENE TO OPEN SESSION 9:05 PM

Report by General Counsel Margarita:

CLOSED SESSION GOVERNMENT CODES:

1. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
Significant Exposure to Litigation Pursuant to California Government Code Section 54956.9
The Board was briefed and no action taken.

ADJOURNMENT – Meeting adjourned at 9:10 p.m.

H. Peter Engellenner, President

Ray Trujillo, Secretary

Charlotte Tilson, Clerk of the Board